

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA

v.

PRASAD MARGABANDHU
a/k/a Prasad Bandhu

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Criminal No. 24-43

(18 U.S.C. §§ 2, 157(3), 844(i)
844(n) and 1341)

FILED
JUL 23 2024
CLERK U.S. DISTRICT COURT
WEST DIST OF PENNSYLVANIA

SUPERSEDING INDICTMENT

COUNT ONE

The grand jury charges:

INTRODUCTION

At all times material hereto:

1. There existed a parcel of real estate located at 1925 East Carson Street, Pittsburgh, Pennsylvania (hereafter “1925 E. Carson St.” or “Property”). The property is described as a commercial, three-story brick building. In 2018, the Property was assessed in the amount of \$291,800.00.

2. On or about August 4, 2017, a foreclosure action was commenced on the Property by the mortgage holder, PNC Bank. Subsequently, on May 11, 2018, a company named Wall Garage, Inc., was assigned the mortgage, and stepped into the shoes of PNC as the plaintiff in the foreclosure action. An entry of judgment was ordered against the Property for mortgage due and owing to Wall Garage, Inc., and for unpaid property taxes due to the City of Pittsburgh and Allegheny County. A sheriff’s sale was scheduled for March 4, 2019.

3. According to public records, on March 4, 2019, a person named William Witting IV owned 1925 E. Carson St.

4. Thereafter, between March 4, 2019, and May 22, 2022, as set forth below, the defendant, PRASAD MARGABANDHU, a/k/a Prasad Bandhu, engaged in a continuous pattern of filing fraudulent Chapter 11 and Chapter 13 petitions in bankruptcy in the names of debtors such as "Shane Tracy Enterprises, Inc.," and "RSP Pittsburgh, Inc.," in which the defendant, PRASAD MARGABANDHU, a/k/a Prasad Bandhu, identified 1925 E. Carson St. as an asset of the bankruptcy estates for the sole purpose of causing automatic stays of scheduled sheriff's sales of the Property, which hindered and delayed creditors such as Wall Garage and the City of Pittsburgh from executing on their judgments against 1925 E. Carson St., by way of a sheriff's sale, and in so doing, perpetrated a fraud upon the bankruptcy court and the creditors.

THE SCHEME AND ARTIFICE TO DEFRAUD

5. Beginning in and around March 2019, and continuing thereafter until on or about June 22, 2022, the defendant, PRASAD MARGABANDHU, a/k/a Prasad Bandhu, having devised and intending to devise a scheme and artifice to defraud, and for the purpose of executing such scheme and artifice to defraud and in attempting to do so, did engage in a continuing course of conduct to conceal an asset of the bankruptcy estate in petitions filed under Title 11 of the Bankruptcy Code, and in so doing, did make false and fraudulent representations, claims, and promises in relation to a proceeding under Title 11 of the Bankruptcy Code. Specifically, the defendant, PRASAD MARGABANDHU, a/k/a Prasad Bandhu, (a) caused false and fraudulent transfers of title to the Property without the knowledge or consent of the true owner of the Property, William Witting, IV; (b) made false and fraudulent misrepresentations to the Bankruptcy Court regarding his ownership of the Property; and (c) filed multiple fraudulent Chapter 11 and Chapter 13 voluntary petitions in bankruptcy in which 1925 East Carson St. was listed as an asset of debtor for the sole purpose of causing automatic stays of scheduled sheriff's sales of the Property, which

hindered and delayed the execution of state court judgments held by creditors on the Property.

THE FIRST WILLIAM J. WITTING IV BANKRUPTCY

Bankruptcy Docket No. 19-20841

6. It was further a part of the scheme and artifice to defraud that, on or about March 4, 2019, defendant, PRASAD MARGABANDHU, a/k/a Prasad Bandhu, prepared a Chapter 13 voluntary petition in bankruptcy in which he identified the Property as the residence of the debtor, and directed William J. Witting, IV, to sign and file the petition as the debtor, the effect of which caused a stay in the execution of judgments by creditors against the Property.

7. It was further a part of the scheme and artifice to defraud that, as a result of the aforesaid filing of the petition in bankruptcy on March 4, 2019, a sheriff's sale of the property, which was scheduled to occur on that same date, was suspended and rescheduled for June 3, 2019.

THE SECOND WILLIAM J. WITTING IV BANKRUPTCY

Bankruptcy Docket 19-2241

8. It was further a part of the scheme and artifice to defraud that defendant, PRASAD MARGABNDHU, a/k/a Prasad Bandhu, at approximately 9:36 a.m. on June 3, 2019, the date for the rescheduled sheriff's sale of the Property, and without the knowledge of William J. Witting, IV, fraudulently prepared and filed a second *pro se* Chapter 13 voluntary petition in bankruptcy in the name of William J. Witting IV as the debtor.

9. It was further a part of the scheme and artifice to defraud that defendant, PRASAD MARGABNDHU, a/k/a Prasad Bandhu, falsely represented in the petition that the Property was the residence of William J. Witting IV, which caused an automatic stay of the foreclosure action under Chapter 13 of the Bankruptcy Code and suspended the scheduled sheriff's sale.

10. It was further a part of the scheme and artifice to defraud that defendant, PRASAD

MARGABANDHU, a/k/a Prasad Bandhu, forged the signature of William J. Witting IV onto page 8 of the second Witting bankruptcy petition.

THE FIRST SHANE TRACY ENTERPRISES BANKRUPTCY (SHANE TRACY I)

Bankruptcy Docket No. 19-22235

11. It was further a part of the scheme and artifice to defraud that, on or about May 31, 2019, defendant PRASAD MARGABANDHU, a/k/a Prasad Bandhu, filed a deed in the Office of the Recorder of Deeds for Allegheny County, purporting to show that, on or about March 4, 2019, title to the Property had been transferred from William J. Witting IV to Shane Tracy Enterprises, which was an entity controlled by defendant, PRASAD MARGABANDHU, a/k/a Prasad Bandhu, when in truth and fact, and as the defendant, PRASAD MARGABANDHU, a/k/a Prasad Bandhu, well knew, such representation regarding the title transfer was false and fraudulent, in that defendant, PRASAD MARGABANDHU, a/k/a Prasad Bandhu, forged the signature of William J. Witting IV on the deed as the grantor.

12. It was further a part of the scheme and artifice to defraud that, on June 2, 2019, one day before the rescheduled sheriff's sale of the Property, the defendant, PRASAD MARGABANDHU, a/k/a Prasad Bandhu, acting as an agent of Shane Tracy Enterprises, filed a Chapter 11 voluntary petition in bankruptcy in the name of "Shane Tracy Enterprises, Inc." as the debtor, which filing suspended the sheriff's sale scheduled for June 3, 2019. This petition filed on June 2, 2019, will be hereafter referred to as the "Shane Tracy I" bankruptcy petition.

13. It was further a part of the scheme and artifice to defraud that the defendant, PRASAD MARGABANDHU, a/k/a Prasad Bandhu, filed the Shane Tracy I bankruptcy petition solely to hinder and delay the creditors' executions of their judgments against the Property.

14. It was further a part of the scheme and artifice to defraud that the defendant,

PRASAD MARGABANDHU, a/k/a Prasad Bandhu, in the Shane Tracy I bankruptcy petition, falsely listed 1925 E. Carson St. as the debtor Shane Tracy Enterprise's principal asset.

15. It was further a part of the scheme and artifice to defraud that the defendant, PRASAD MARGABANDHU, a/k/a Prasad Bandhu, had no intention of complying with the obligations of a debtor in a Chapter 11 petition in bankruptcy.

16. It was further a part of the scheme and artifice to defraud that the defendant, PRASAD MARGABANDHU, a/k/a Prasad Bandhu, directed another individual to appear at the sheriff's sale on June 3, 2019, with the Shane Tracy I bankruptcy petition and the second Witting bankruptcy petition to stay the scheduled sheriff's sale of the Property.

17. The sheriff's sale of the property was then rescheduled for October 4, 2021.

THE RSP PITTSBURGH, INC. BANKRUPTCY

Bankruptcy Docket No. 21-21968

18. It was further a part of the scheme and artifice to defraud that, on or about September 7, 2021, the defendant, PRASAD MARGABANDHU, a/k/a Prasad Bandhu, caused the filing of another fraudulent Chapter 11 voluntary petition in bankruptcy in the name of a debtor identified as "RSP Pittsburgh, Inc." solely for the purpose of delaying and hindering the creditors' attempts to execute on their judgments against the Property (hereafter RSP).

19. It was further a part of the scheme and artifice to defraud that the defendant, PRASAD MARGABANDHU, a/k/a Prasad Bandhu, in the RSP petition filed on September 7, 2021, falsely identified the Property, among other assets, as an asset of RSP which then stayed creditors' efforts to execute on their judgments.

20. It was further a part of the scheme and artifice to defraud that, on or about October 4, 2021, the defendant, PRASAD MARGABANDHU, a/k/a Prasad Bandhu, falsely and

fraudulently prepared a deed, dated June 4, 2021, which purported to have transferred title to the Property from Shane Tracy Enterprises to RSP on June 4, 2021, for \$500.00 consideration. The deed was signed by the defendant, PRASAD MARGABANDHU, a/k/a Prasad Bandhu, as both the agent of the grantor, Shane Tracy Enterprises, Inc., and the grantee, RSP Pittsburgh, Inc.

21. It was further a part of the scheme and artifice to defraud that the defendant, PRASAD MARGABANDHU, a/k/a Prasad Bandhu, delayed recording the deed until October 4, 2021, which had the effect of deceiving creditors and the bankruptcy court.

22. It was further a part of the scheme and artifice to defraud that the defendant, PRASAD MARGABANDHU, a/k/a Prasad Bandhu, had no intention of complying with the obligations of a debtor in a Chapter 11 petition in bankruptcy.

23. Due to the bankruptcy litigation initiated by the defendant, PRASAD MARGABANDHU, a/k/a Prasad Bandhu, the sheriff's sale for the Property was rescheduled for February 7, 2022, and then postponed again until April 4, 2022.

24. It was further a part of the scheme and artifice to defraud that on or about March 25, 2022, the defendant, PRASAD MARGABANDHU, a/k/a Prasad Bandhu, without permission from the Court or creditors, surreptitiously recorded a deed dated March 25, 2022, which purported to have transferred the Property from RSP Pittsburgh to Shane Tracy Enterprises, which deed the defendant, PRASAD MARGABANDHU, a/k/a Prasad Bandhu, executed as agent on behalf of both the grantor and grantee.

25. On or about April 28, 2022, the Court entered an order which directed the defendant, PRASAD MARGABANDHU, a/k/a Prasad Bandhu, to transfer and record a deed returning the Property back to the debtor, RSP Pittsburgh Inc., which the defendant did purportedly for \$500.00 consideration, and filed evidence of the return transfer with the Court on May 2, 2022.

THE SECOND SHANE TRACY ENTERPRISES, INC. BANKRUPTCY (SHANE TRACY II)

Bankruptcy Docket No. 22-20601

26. It was further a part of the scheme and artifice to defraud that, on March 30, 2022, four days before the rescheduled sheriff's sale of the Property, the defendant, PRASAD MARGABANDHU, a/k/a Prasad Bandhu, again determined to hinder and delay the creditors' right to execute on their judgments against the Property by way of a sheriff's sale, and acting as an agent of the debtor, Shane Tracy Enterprises, prepared and filed another fraudulent Chapter 11 voluntary petition in bankruptcy, again in the name of "Shane Tracy Enterprises, Inc.", which had the effect of suspending the sheriff's sale of the Property scheduled for April 4, 2022. The petition filed on March 30, 2022, will hereafter be referred to as "the Shane Tracy II petition."

27. It was further a part of the scheme and artifice to defraud that the defendant, PRASAD MARGABANDHU, a/k/a Prasad Bandhu, in the Shane Tracy II petition, falsely identified the Property as an asset of the debtor.

28. It was further a part of the scheme and artifice to defraud that the defendant, PRASAD MARGABANDHU, a/k/a Prasad Bandhu, had no intention of complying with the obligations of a debtor in a Chapter 11 petition in bankruptcy.

29. The Property was rescheduled for sheriff's sale on May 2, 2022.

THE THIRD SHANE TRACY ENTERPRISES INC. BANKRUPTCY (SHANE TRACY III)

Bankruptcy Docket No. 22-20853

30. It was further a part of the scheme and artifice to defraud that on May 1, 2022, one day before the rescheduled sheriff's sale of the Property, the defendant, PRASAD MARGABANDHU, a/k/a Prasad Bandhu, determined to hinder and delay the creditors' right to execute on their judgments against the Property by way of a sheriff's sale, and acting as agent of

the debtor, Shane Tracy Enterprises, filed another fraudulent Chapter 11 voluntary petition in bankruptcy in the name of "Shane Tracy Enterprises, Inc." (hereafter, "the Shane Tracy III petition"). The filing of the Shane Tracy III petition had the effect of staying the sheriff's sale of the Property scheduled for May 2, 2022.

31. It was further a part of the scheme and artifice to defraud that the defendant, PRASAD MARGABANDHU, a/k/a Prasad Bandhu, in the Shane Tracy III petition, falsely identified the Property as an asset of the debtor.

32. It was further a part of the scheme and artifice to defraud that the defendant, PRASAD MARGABANDHU, a/k/a Prasad Bandhu, had no intention of complying with the requirements of a debtor in a Chapter 11 petition in bankruptcy.

All in violation of Title 18, United States Code, Section 157(3).

COUNT TWO

The grand jury further charges:

33. From in and around early June of 2022, and continuing thereafter until on or around the date of this Superseding Indictment, in the Western District of Pennsylvania and elsewhere, defendant PRASAD MARGABANDHU, a/k/a Prasad Bandhu, devised and intended to devise a scheme to defraud the Rockingham Insurance Company (hereinafter “Rockingham”) by means of false and fraudulent pretenses and representations, as set forth in more detail below. From in and around early June of 2022, and continuing thereafter until on or about June 29, 2022, a person known to the grand jury as C.U. joined with defendant, PRASAD MARGABANDHU, a/k/a Prasad Bandhu, in the scheme to defraud Rockingham.

34. On or about May 2, 2022, defendant PRASAD MARGABANDHU, a/k/a Prasad Bandhu, purchased an insurance policy in the name of an entity controlled by him and known as RSP Pittsburgh, Inc., covering the property located at 1925 East Carson Street, Pittsburgh, Pennsylvania, which policy provided insurance coverage for the structure located at that address and for the contents of that structure.

THE SCHEME TO DEFRAUD

35. It was part of the scheme to defraud that, in or around early June of 2022, defendant PRASAD MARGABANDHU, a/k/a Prasad Bandhu, solicited a person, known to the grand jury as C.U., to set fire to the structure at 1925 East Carson Street.

36. It was further a part of the scheme to defraud that, pursuant to the above-referenced solicitation, on or about June 22, 2022, C.U. set fire to the structure at 1925 East Carson Street.

37. It was further a part of the scheme to defraud that, on or about June 22, 2022, defendant PRASAD MARGABANDHU, a/k/a Prasad Bandhu, caused a claim to be made to Rockingham for the fire damage to the property at 1925 East Carson Street.

38. It was further a part of the scheme to defraud that, between June 22, 2022, and June 28, 2022, defendant PRASAD MARGABANDHU, a/k/a Prasad Bandhu, and C.U. negotiated times and amounts of payments that C.U. would receive from defendant PRASAD MARGABANDHU, a/k/a Prasad Bandhu, for C.U. setting fire to 1925 East Carson Street.

39. It was further part of the scheme to defraud that, on or about November 3, 2022, defendant PRASAD MARGABANDHU, a/k/a Prasad Bandhu, represented to Rockingham, on a claim form known as a Sworn Statement In Proof of Loss, that the fire loss which occurred on or about June 22, 2022, did not originate by any act, design or procurement on behalf of his insured entity known as RSP Pittsburgh, Inc., when in truth and fact, and as defendant PRASAD MARGABANDHU, a/k/a Prasad Bandhu, well knew, such representation was false and fraudulent when made.

40. It was further a part of the scheme to defraud that, on or about July 27, 2023, in a statement under oath provided to a representative of Rockingham, defendant PRASAD MARGABANDHU, a/k/a Prasad Bandhu, represented that he:

- (a) had not asked anyone to cause a fire at 1925 East Carson Street,
- (b) had not offered any compensation to anyone to set fire to 1925 East Carson Street, and
- (c) did not know who had caused the fire at 1925 East Carson Street, when in truth and fact, and as defendant PRASAD MARGABANDHU, a/k/a Prasad Bandhu, well knew, such representations were false and fraudulent when made.

USE OF THE UNITED STATES MAIL

The grand jury further charges:

41. On or about August 31, 2023, in the Western District of Pennsylvania, defendant

PRASAD MARGABANDHU, a/k/a Prasad Bandhu, for the purpose of executing the scheme to defraud, knowingly caused to be delivered to an attorney for Rockingham, by United States mail, according to the directions thereon, a document known as an Errata Sheet, which had been sent by a law firm representing defendant PRASAD MARGABANDHU, a/k/a Prasad Bandhu, to an address on Fourth Avenue in Pittsburgh, Pennsylvania.

In violation of Title 18, United States Code, Sections 2 and 1341.

COUNT THREE

The grand jury further charges:

42. From in and around early June of 2022, to on or about June 22, 2022, in the Western District of Pennsylvania, the defendant, PRASAD MARGABANDHU, a/k/a Prasad Bandhu, did agree with a person known to the grand jury as C.U., to commit an offense against the United States, namely, malicious destruction of property by means of fire, contrary to the provisions of Title 18, United States Code, Section 844(i).

In violation of Title 18, United States Code, Section 844(n).

COUNT FOUR


The grand jury further charges:

43. On or about June 22, 2022, in the Western District of Pennsylvania, the defendant, PRASAD MARGABANDHU, a/k/a Prasad Bandhu, did maliciously damage and destroy, and cause to be damaged and destroyed, by means of fire, a structure located at 1925 East Carson Street in Pittsburgh, Pennsylvania, which structure was used in interstate commerce and in activity affecting interstate commerce.

In violation of Title 18, United States Code, Sections 2 and 844(i).

A True Bill,

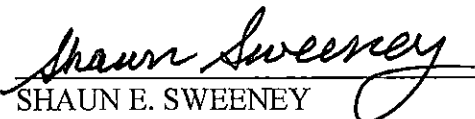

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